



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TO: Heads of All Budgeted Agencies
FROM: Paul E. Potamianos, Executive Budget Officer
SUBJECT: Request for Allotment of Appropriations (B-1)
DATE: June 12, 2012

A handwritten signature in dark ink, appearing to read "Paul E. Potamianos", with a horizontal line extending to the right.

In accordance with Section 4-85 of the Connecticut General Statutes, each budgeted agency shall submit to the Governor, through the Secretary of OPM, a requisition for the allotment of appropriations available to carry on the work of such budgeted agency during each quarter of the fiscal year.

The official allotment program (B-1) will be in accordance with the enacted budget. For agencies with multiple-source funding, a separate B-1 is required for each appropriated funding source. For higher education units, a separate B-1 is required for the operating funds as an estimate of quarterly expenditures.

Adjustments to available agency funds

Public Act 12-104, the FY 2013 adjusted budget, includes allocable bottom line savings (lapses) of \$14.2 million in the General Fund which will require adjustments to agency-specific appropriations. These lapses have been programmed by agency against available funds and include:

- Reductions of \$13,785,503 for the Executive branch;
- Reductions of \$56,251 for the Legislative branch; and
- Reductions of \$401,946 for the Judicial branch.

Additionally, a Branch Savings Target of \$63,729 in the Banking Fund is programmed against the Judicial Department's available funds.

In addition to the savings outlined above, the enacted budget includes unallocated lapses in the General Fund in the amounts of \$3,028,105 for the Legislative branch, \$7,400,672 for the Judicial branch, and \$91,676,192 in government-wide savings, as well as \$11,000,000 in the Special Transportation Fund. While these required savings are not programmed against available funds, as in past years they must nevertheless be achieved in order for the budget to remain in balance.

Any adjustments to agency appropriations that are the result of the passage of other legislation should be discussed with your budget analyst prior to submittal of the agency's B-1.

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Specific Instructions

Quarterly Allotments

It is particularly important that agencies program B-1 allotment requirements by quarter ***based on projected cash needs***. OPM will review proposed allotments by quarter and will return requests that unnecessarily “front-load” or otherwise program allotments earlier in the fiscal year than necessary. Provide a detailed explanation including statutory or regulatory references to your budget analyst for any account that requires significant release of funds in the first quarter.

Spending Plans

Agencies may be required to submit detailed spending plans for certain accounts such as Other Current Expenses or grant accounts to substantiate projected cash flow needs and to provide other information relevant to review and approval of agency allotment requisitions. OPM analysts will contact agencies regarding any additional information required to complete their reviews.

Payroll

There are 26 bi-weekly payrolls in FY 2013 which are to be programmed as follows:

- 1st quarter - 6 payrolls
- 2nd quarter - 7 payrolls
- 3rd quarter - 6 payrolls
- 4th quarter - 7 payrolls

Permanent, Full Time Positions

Agencies may only fill positions up to the level authorized by the General Assembly. OPM has indicated each agency’s FY 2013 authorized level for permanent, full time positions in the B-1 based on the Office of Fiscal Analysis’ work papers. The FY 2013 authorized figure must equal the total of Filled, Vacant, and New, less Cancelled positions from Schedule 2 – Allotment of Personal Services.

Collective Bargaining Increases and Related Costs

The enacted budget includes funding within agency appropriations for any general wage increases and annual increments for employees that have approved contracts during the upcoming fiscal year.

2009 Retirement Incentive Program(RIP) payouts

FY 2013 General Fund and Special Transportation Fund funding for the first installment of deferred payments for accrued and unused vacation and/or sick leave from the 2009 retirement incentive program are budgeted in OPM’s Reserve for Salary Adjustments (RSA) account. General Fund and Special Transportation Fund payments for RIP accruals will be reimbursed from the RSA account and should therefore not be built into agency allotment requests. Accrual payouts for industry-funded (i.e., Banking, Insurance, Consumer Counsel/Public Utility Control, Workers’ Compensation, Soldiers Sailors and Marines’, Regional Market Operation, and Criminal Injuries Compensation fund) positions were built into appropriations and should, therefore be included in requested first quarter allotments.

General Lapse

Public Act 12-104 calls for OPM to monitor agency expenditures to save \$14.2 million in the General Fund, delineated by branch of government. For Executive Branch agencies, OPM has accordingly programmed negative amounts in the Adjustments column in agency Personal Services accounts and in

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selected Other Current Services accounts with significant personal services components. Because these savings are general in nature, agencies have the ability to propose an alternative distribution of these holdbacks across any agency General Fund appropriation. Alternative holdback distribution proposals must be submitted to, discussed with, and approved by your assigned OPM budget analyst prior to final submission of the B-1. As always, agencies must program the net amount after holdbacks on the B-1.

Equipment

Allotments for Equipment accounts appropriated at \$1,000 or less should be programmed in the fourth quarter. Agencies with Equipment appropriations greater than \$1,000 should program the funds no earlier than the second quarter. Exceptions should be discussed with your analyst.

Early Finance Advisory Committee (FAC) Action

Agencies may not program an overall deficiency on the B-1. Instead, plan to offset any projected deficiency by transferring funds from one agency account to another. Agencies should also not program anticipated FAC's on the B-1. Contact your budget analyst immediately if you anticipate a deficiency or identify the need for FAC action.

Carry Forwards

Do not program amounts carried forward from previous fiscal years on the B-1/Allotment of Appropriations screen; these allotments will be handled separately. Agencies with approved carryforwards should submit a separate B-107 to their assigned OPM analyst for allotment of such funds.

Fringe Benefit Rate - Other Than General and Special Transportation Funds

Fringe benefits are calculated on an actual basis for each position by Core-CT for group life, social security, employee health, and retiree health. Updated fringe benefits rates for FY 2013 are anticipated to be released by the Comptroller's office early next week. To the extent possible, agencies should use the updated rates in lieu of those that were established for FY 2012 in OSC memorandum 2011-14.

Submission

The completed B-1 is due to OPM on **Wednesday, June 20, 2012**. Agencies that do not submit a valid B-1 by this deadline will receive partial allotments until an acceptable B-1 is submitted. Submit one signed original plus one additional hard copy following the electronic submittal to the OPM Budget Division. An additional hard copy is to be sent to the Office of Fiscal Analysis.

Enclosures - Sent to Fiscal Officers only

Xc: Ben Barnes, Secretary, OPM

Agency Fiscal Officers

Alan Calandro, Director, OFA